

AMENDED IN SENATE AUGUST 18, 2015

AMENDED IN SENATE JUNE 19, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 1110**

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**Introduced by Assembly Member Ting**

February 27, 2015

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An act to amend Sections 398.1, 398.2, and 398.4 of the Public Utilities Code, relating to energy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1110, as amended, Ting. ~~Emissions of greenhouse~~ *Greenhouse* gases *emissions intensity* reporting: retail electricity suppliers.

Under existing law, entities offering electric services in California are required to disclose information on the sources of energy that are used to provide electric services. Existing law requires every retail supplier, as defined, that makes an offer to sell electricity that is consumed in California to disclose its electricity sources for the previous calendar year. These disclosures are required to be made to end-use customers and potential end-use customers. Existing law requires a retail supplier to disclose its electricity sources as a percentage of annual sales that is derived from specified sources of energy, including eligible renewable energy resources.

This bill would require a retail supplier, including an electrical corporation, local publicly owned electric utility, electric service provider, and community choice aggregator to also disclose the ~~emissions of greenhouse~~ gases *emissions intensity* associated with its electricity sources. The bill would prohibit an adjustment in the calculation of emissions of greenhouse gases through the application

of renewable energy credits, carbon offset credits, or other attributes acquired from any facility not providing the actual delivered electricity used to serve a retail customer.

The Public Utilities Act makes any public utility and any corporation other than a public utility, ~~that violates the act, or that if the public utility or corporation violates the act~~ or fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission, guilty of a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements by an electrical corporation or electric service provider would be a crime, the bill would impose a state-mandated local program by expanding what is a crime. By placing additional reporting duties upon local publicly owned electric utilities, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 398.1 of the Public Utilities Code is
- 2 amended to read:
- 3 398.1. (a) The Legislature finds and declares that there is a
- 4 need for reliable, accurate, and timely information regarding fuel
- 5 sources for electric generation offered for retail sale in California.
- 6 (b) The purpose of this article is to establish a program under
- 7 which entities offering electric services in California disclose
- 8 accurate, reliable, and simple to understand information on the
- 9 sources of energy, and the associated emissions of greenhouse
- 10 gases, that are used to provide electric services.
- 11 SEC. 2. Section 398.2 of the Public Utilities Code is amended
- 12 to read:
- 13 398.2. The definitions set forth in this section shall govern the
- 14 construction of this article.

1 (a) “Retail supplier” means an entity that offers an electricity  
2 product for sale to retail consumers in California, including an  
3 electrical corporation, local publicly owned electric utility, electric  
4 service provider, and community choice aggregator.

5 (b) “System operator” means the Independent System Operator  
6 with responsibility for the efficient use and reliable operation of  
7 the transmission grid, as provided by Section 345, or a local  
8 publicly owned electric utility that does not utilize the Independent  
9 System Operator.

10 (c) “Specific purchases” means electricity transactions that are  
11 traceable to specific generation sources by any auditable contract  
12 trail or equivalent, such as a tradable commodity system, that  
13 provides commercial verification that the electricity source claimed  
14 has been sold once and only once to a retail consumer. Retail  
15 suppliers may rely on annual data to meet this requirement, rather  
16 than hour-by-hour matching of loads and resources.

17 (d) “Unspecified sources of power” means electricity that is not  
18 traceable to specific generation sources by any auditable contract  
19 trail or equivalent, including a tradable commodity system, that  
20 provides commercial verification that the electricity source claimed  
21 has been sold once, and only once, to a retail consumer.

22 SEC. 3. Section 398.4 of the Public Utilities Code is amended  
23 to read:

24 398.4. (a) Every retail supplier that makes an offering to sell  
25 electricity that is consumed in California shall disclose its  
26 electricity sources and the associated ~~emissions~~ of greenhouse  
27 gases *emissions intensity* for the previous calendar year.

28 (b) The disclosures required by this section shall be made to  
29 potential end-use consumers in all product-specific written  
30 promotional materials that are distributed to consumers by either  
31 printed or electronic means, including the retail supplier’s Internet  
32 Web site, if one exists, except that advertisements and notices in  
33 general circulation media shall not be subject to this requirement.

34 (c) The disclosures required by this section shall be made  
35 annually to end-use consumers of the offered electricity. The annual  
36 disclosure shall be made by the end of the first complete billing  
37 cycle for the third quarter of the year, and shall be consistent with  
38 information provided to the Energy Commission pursuant to  
39 Section 398.5.

(d) The disclosures required by this section shall be made separately for each offering made by the retail supplier.

(e) On or before January 1, 1998, the Energy Commission shall specify guidelines for the format and means for disclosure required by Section 398.3 and this section, based on the requirements of this article and subject to public hearing.

(f) The costs of making the disclosures required by this section shall be considered to be generation related.

(g) The disclosures required by this section shall comply with the following:

(1) A retail supplier's disclosure of its electricity sources shall be expressed as a percentage of annual sales derived from each of the following categories:

(A) Unspecified sources of electricity.

(B) Specific purchases.

(2) A retail supplier's disclosure of its electricity sources shall also separately identify total California system electricity, which is the sum of all in-state generation and net electricity imports by fuel type.

(h) Each of the categories specified in subdivision (g) shall be additionally identified as a percentage of annual sales that is derived from the following fuels or sources of energy:

(1) Coal.

(2) Large hydroelectric (greater than 30 megawatts).

(3) Natural gas.

(4) Nuclear.

(5) Eligible renewable energy resources pursuant to the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11)), ~~identified by the corresponding categories described in subdivision (b) of Section 399.16~~, including any of the following:

(A) Biomass and biowaste.

(B) Geothermal.

(C) Eligible hydroelectric.

(D) Solar.

(E) Wind.

(6) Other categories as determined by the Energy Commission.

(i) All electricity sources disclosed as specific purchases shall meet the requirements of subdivision (c) of Section 398.2.

(j) Specific purchases identified pursuant to this section shall be from sources connected to the Western Electricity Coordinating Council interconnected grid.

(k) ~~(1) The emissions of greenhouse gases~~ *emissions intensity* associated with a retail supplier's electricity sources shall be reported as the sum of all annual emissions of greenhouse gases divided by annual retail electric sales. Emissions of greenhouse gases shall be calculated using the emissions reported for electricity supplied by entities required to report emissions of greenhouse gases pursuant to Article 2 (commencing with Section 95100) of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations. Emissions of greenhouse gases shall include any emissions otherwise attributable to any first deliverer, as defined in paragraph (178) of subdivision (a) of Section 95102 of Title 17 of the California Code of Regulations, supplying electricity directly or indirectly to the retail supplier.

~~For~~  
(2) ~~For purposes of this calculation,~~ *subdivision*, no adjustment shall be made to the calculation of emissions of greenhouse gases assigned to any retail supplier through the application of the following:

~~(1)~~  
(A) Renewable energy credits, as defined in subdivision (h) of Section 399.12.

~~(2)~~  
(B) Offset credits issued pursuant to Article 5 (commencing with Section 95801) of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations.

~~(3)~~  
(C) Other attributes acquired from any facility not providing the actual delivered electricity used to serve a retail customer.

(3) *Each retail supplier shall separately identify the greenhouse gases emissions intensity associated with statewide retail electricity sales in the same year. The commission, in consultation with the State Air Resources Board, shall calculate the greenhouse gases emissions intensity associated with statewide retail electricity sales based on the emissions of greenhouse gases for total California system electricity.*

(l) The provisions of this section shall not apply to generators providing electric service onsite, under an over-the-fence

1 transaction as described in Section 218, or to an affiliate or  
2 affiliates, as defined in subdivision (a) of Section 372.

3 SEC. 4. No reimbursement is required by this act pursuant to  
4 Section 6 of Article XIII B of the California Constitution because  
5 a local agency or school district has the authority to levy service  
6 charges, fees, or assessments sufficient to pay for the program or  
7 level of service mandated by this act or because costs that may be  
8 incurred by a local agency or school district will be incurred  
9 because this act creates a new crime or infraction, eliminates a  
10 crime or infraction, or changes the penalty for a crime or infraction,  
11 within the meaning of Section 17556 of the Government Code, or  
12 changes the definition of a crime within the meaning of Section 6  
13 of Article XIII B of the California Constitution.